

HOUSE BILL No. 1043

DIGEST OF INTRODUCED BILL

Citations Affected: IC 27-1-31.

Synopsis: Commercial property and casualty insurance notice. Extends the notice period required for certain nonrenewals and cancellations of a commercial property and casualty insurance policy from 45 days to 90 days. Requires 90 days notice of a premium increase for a commercial property and casualty insurance policy.

Effective: July 1, 2003.

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January 7, 2003, read first time and referred to Committee on Insurance, Corporations and Small Business.

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Introduced

First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

HOUSE BILL No. 1043

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 27-1-31-2 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2. (a) An insurer may
3 not cancel a policy of insurance that the insurer has written that has
4 been in effect more than ninety (90) days unless:

- 5 (1) the insured under the policy has failed to pay the premium;
- 6 (2) there is a substantial change in the scale of risk covered by the
7 policy;
- 8 (3) the insured has perpetrated a fraud or material
9 misrepresentation upon the insurer;
- 10 (4) the insured has failed to comply with reasonable safety
11 recommendations; or
- 12 (5) reinsurance of the risk associated with the policy has been
13 cancelled.

14 (b) An insurer shall provide a written notice of cancellation to a
15 person insured under a policy issued by the insurer at least:

- 16 (1) ~~forty-five (45)~~ **ninety (90)** days before cancelling the policy
17 for any reason set forth in subsection (a)(2), (a)(4), or (a)(5);

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(2) twenty (20) days before cancelling the policy for the reason set forth in subsection (a)(3); or
 (3) ten (10) days before cancelling the policy for the reason set forth in subsection (a)(1).

SECTION 2. IC 27-1-31-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 3. If an insurer refuses to renew a policy of insurance written by the insurer, the insurer shall provide written notice of nonrenewal to the insured:

(1) at least ~~forty-five (45)~~ **ninety (90)** days before the expiration date of the policy, if the coverage provided is for one (1) year, or less; or

(2) at least ~~forty-five (45)~~ **ninety (90)** days before the anniversary date of the policy, if the coverage provided is for more than one (1) year.

SECTION 3. IC 27-1-31-4 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 4. An insurer shall provide written notice of a premium increase to an insured not less than ninety (90) days before the effective date of the premium increase.**

SECTION 4. [EFFECTIVE JULY 1, 2003] **IC 27-1-31, as amended by this act, applies to a policy of insurance that is issued, delivered, amended, or renewed after June 30, 2003.**

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